

LARGE EMPLOYER EMERGENCY FINANCING FACILITY (LEEFF)

FIRST ANNUAL CLIMATE REPORT OF GATEWAY CASINOS & ENTERTAINMENT LIMITED

MAY 2021



Gateway Casinos & Entertainment Limited (Gateway) is pleased to submit its first annual Climate Report in accordance with the terms of the LEEFF loan facility.

As a beneficiary of the LEEFF program, Gateway produces, publishes and provides an annual climate change-related disclosure report. This report follows the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) ([Link](#)) as well as the Final Report of the Expert Panel on Sustainable Finance ([Link](#)).

The first four climate disclosure reports are prepared in the form of a Phase 1 report as specified in the Expert Panel’s recommendations, with clear disclosures on Governance, Strategy, Risk Management, Metrics & Targets, and achieving Canada’s commitments to the Paris Agreement (see below).

1	Governance	<ul style="list-style-type: none"> Describe the board’s oversight of climate-related risks and opportunities. Describe management’s role in assessing and managing climate-related risks and opportunities.
2	Strategy	<ul style="list-style-type: none"> Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
3	Risk Management	<ul style="list-style-type: none"> Describe the organization’s processes for identifying and assessing climate-related risks.
4	Metrics & Targets	<ul style="list-style-type: none"> Disclose Scope 1 and 2 GHG emissions and related risks, or an appropriate alternative metric.
5	Achieving commitments to the Paris Agreement	<ul style="list-style-type: none"> Report on how your corporate governance, strategies, policies, and practices contribute to achieving Canada’s commitments under the Paris Agreement

The fifth report will be in the form of a Phase II report as specified in the Expert Panel’s recommendations, with reporting on underlying assumptions, calculations, estimates and scenarios.

Aspect	Recommendation	Alignment	Description
Governance	Describe the board oversight of climate-related risks and opportunities.		<p>Gateway’s Chairman of the Board reviews the corporate enterprise risk management (ERM) framework, register and strategy annually, with the Chief Compliance & Risk Officer (CCRO). Any specific climate-related risks and opportunities are addressed within the ERM process.</p> <p>Through direction from the Chairman and CEO, the CCRO executes oversight of the corporate ERM program – ensuring identification, assessment and mitigation of various types of risks and opportunities, including any climate related risks and opportunities.</p>
	Describe management’s role in assessing and managing climate related risks and opportunities.		<p>All levels of Gateway’s management structure are empowered to assess and consider climate related risks and opportunities in their own departments. Upon identification of any particular climate related risk or opportunity, the matter would be assessed by an appropriate senior management individual depending on the area of the business that is impacted by the climate related risk or opportunity (for example, Operations, Property Development, Compliance, etc.).</p> <p>In addition, procedures are in place to monitor compliance with external laws, regulations and internal policies & procedures and controls are in place to report non-compliant events to the CEO & Chairman of the Board.</p> <p>At senior executive level, Gateway’s CCRO has overarching responsible for managing all risk within the enterprise (including compliance, reputational, operational, climate-related risks, etc.) and ensuring appropriate communications and reporting occurs within the governance structure.</p>
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.		<p>Gateway takes every opportunity to ensure our projects proceed with an awareness of climate-related risks and opportunities. This environmental awareness starts at the very beginning of our journey with the procurement process. As part of our overall procurement process, Gateway’s risk management strategy is to engage Vendors and procure products that are environmentally friendly.</p> <p>Currently when contracting a vendor, Gateway endeavors to ensure that the services provided are performed with consideration of the environment. Each vendor is reminded to make every attempt to utilize green products or processes wherever possible. In addition,</p>

			<p>within the procurement process vendors are reminded to apply environmentally responsible management practices to hazardous substances used, specifically regarding the acquisition, handling, storage, safety in use, transportation, and disposal of such substances.</p> <p>In addition, Gateway is currently developing a long-term strategy for property upgrades and future developments. We are developing a five-year plan that pertains to facility repair and upgrades, with an aim to specifically make the buildings more efficient through upgrading systems, removing obsolescence, improving technology and tweaking operating methodology as we strive for greener and efficient operations. At each step of this long-term strategic planning, Gateway assesses climate-related risks and opportunities.</p>
<p>Risk Management</p>	<p>Describe the organization's processes for identifying and assessing climate related risks.</p>		<p>Gateway has a mature and repeatable risk management process and strategy. This strategy ensures the development of the companies ERM framework. Through the ERM framework, all risks inclusive of environmental/climate related risks are identified, integrated and mitigated. The mitigation strategies for risks are executed in numerous ways and where inter-dependencies are identified, Gateway addresses them in a considered, holistic and coordinated manner.</p> <p>To assist Gateway in identifying any new or emerging risks, the company's government relations team monitors changes in laws, regulations and policies that may impact our business, including any climate related changes.</p> <p>Our corporate governance and risk management strategy utilizes a three lines of defense model. Management and front-line staff are utilized in the first line of defense for identification, assessment, management and communication of risks. The second line encompasses risk and compliance professionals for the oversight or risk management and controls; and the third line deploys the skills of our internal audit department.</p> <p>Through the deployment of these strategies, all risks are reasonably identified and managed, which include environmental (climate) risks and activities – such as, water management and recycling strategies.</p>

<p>Metrics & Targets</p>	<p>Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.</p> <p>Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets</p>		<p>Gateway has not yet set any specific targets designed to manage climate-related risks and opportunities with metrics at this time. However, we have employed risk management strategies and identified opportunities where we have actioned change within our operations which positively impact the environment.</p> <ul style="list-style-type: none"> • Replacement of halogen and incandescent bulbs with LED based bulbs. As an example in a small site such as Point Edward site replaced 110 150W metal halide parking lot light fixtures with 1800 lumen LED fixtures that resulted in a reduction of over 40,000 kWh annually • In order to reduce the lighting requirements, wherever possible, most of our newer facilities rely upon natural lighting. • In non-critical areas, such as off peak parking lots, offices, and admin areas, we have installed LED lighting attached to motion sensors - so only occupied areas are illuminated. • All our properties are properly registered with Hazardous Waste Information Network (HWIN) and contracts are in place with certified carriers to ensure all hazardous waste is disposed of correctly. • We work collaboratively with the Ministry of Natural Resources and Wildlife Canada (MOECC), whenever necessary to ensure compliance during new construction and renovations at our existing properties. • We engage a third-party vendor (Waste Collective) who works directly with each local Municipality to ensure that local waste regulations are adhered to. Emphasis is placed on “landfill diversion” through recycling programs and garbage compaction. • Fixed assets that are end of life are dealt with through an asset disposal process which again focuses on landfill diversion. Goods are sold, recycled or repurposed at another property as opposed to being disposed of whenever possible.
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<p>Achieving commitments to the Paris Agreement</p>	<p>The focus of the Paris Agreement is to put the global community on track to stabilize GHGs at a level that would avoid future and growing dangerous climate change. Gateway is committed to playing its part in the success of the Canadian climate change strategy. We are reviewing the deployment of strategies such as investing in energy efficient strategies, water conservation, hazardous waste management and other new efficient technologies which will result in Gateway continuing its efforts to contribute directly to meeting governmental commitments.</p>
<p> High alignment with aspect and recommendations</p>	<p> Moderate to high alignment with aspect and recommendation</p>
<p> Moderate alignment with aspect and recommendation</p>	<p> Low to moderate alignment with aspect and recommendation</p>
<p> Low alignment with aspect and recommendation</p>	